

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State/Territory: MICHIGAN

Requirements for Third Party Liability -
Payment of Claims

(d) Attachment 4.22-B

(1) The State does not require the provider to bill the other resource before presenting the claim for payment.

(2) Paternity Confinement Expenses The State of Michigan IV-D program refers paternity cases to the local prosecuting attorney who petitions the court to order the absent parent to provide support for the minor child and repay Medicaid confinement expenses. The prosecutor and/or court requests from the Third Party Liability Division a statement of confinement expenses for inclusion in the court order. Confinement expense statements are provided by the Third Party Liability Division for every paternity case but whether or not repayment is ordered and the terms of repayment is at the discretion of the court. Enforcement and collection is vested with an extension of each judicial circuit court in Michigan.

Health Insurance Recoveries from Health Insurers are initiated once claims exceed a \$60 threshold in a billing cycle. Carrier claims processes which are automated are pursued regardless of dollar amount as the cost of claims processing is minuscule. If carriers fail to respond to a claim after one follow up attempt and one year since billing, the claim may be closed.

Medicare All current Medicare eligible recipients are monitored by the Invoice Processing system to assure payment of only coinsurance and deductible amounts. Retroactive Medicare eligibility is pursued for covered provider types regardless of dollar amount since the process is automated. The part B claims are submitted directly to the intermediary and the facility claims (excluding Long Term Care) are claim adjusted to the Medicaid providers.

Long Term Care claims initially denied by Medicare, but which appear to meet skilled care requirements, are referred to a contracted law firm for appeal. If successful, the claim is referred to Third Party to adjust provider billings.

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Casualty The Michigan Department of Social Services pursues recovery of Casualty claims when claims exceed \$300 for automobile cases or \$1,000 for general Liability or Medical Malpractice. Requests from insurance companies and attorneys are processed regardless of the value of paid claims.

(3) Health Insurance The claims are accumulated until the threshold is exceeded. The claims are held for a period not to exceed 15 months. If paid claims do not exceed the threshold within this 15 month period, they are purged.

Casualty Claims for no-fault auto are accumulated for as much as 11 months. If the claims do not exceed the threshold, the case is discarded. General Liability claims are accumulated to extend 6 months from the date of event or from date of event to date of notification, whichever is longer. If the claims do not exceed the threshold, the case is discarded. Once the case has been identified as exceeding the cost effective threshold, recovery is pursued within 60 days.

- (e) It is Medicaid policy that providers accept Medicaid payment as payment in full. When coordinating Medicaid benefits with private insurance, the provider may only collect copays from the client as specified in 42 CFR 447.20 (a).

Providers may not refuse to render services to an eligible Medicaid client on the basis of a third party potential liability.

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Medical Support and Paternity

Requests for paternity expenses are requested by local offices, processed by third party liability and returned to the local offices for action. Any action on Medical Support are limited to attempted identification by health insurance provided by the absent parent for billing as indicated above.

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